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## 1. INDONESIA SEEKING ARMS FROM YUGOSLAVIA AND SOVIET BLOC

25X1A C	comment on:	
	Indonesia apparently has definitely decided to turn to Yugoslavia and the Communist bloc for arms.  Indonesia is 25X1C proceeding with plans to purchase military equipment from Yugoslavia, Czechoslovakia, and Poland.	
	Indonesia had dropped negotiations for the cash purchase of arms, explaining that materiel will be obtained on credit from Czechoslovakia and Yugoslavia. American Ambassador Riddleberger in Belgrade assumes that a 27 December visit to Tito by the Indonesian ambassador and a group of high-ranking Yugoslavs was the beginning of arms negotiations. Colonel Jani, Indonesian deputy army chief of staff, will head a purchasing mission to Yugoslavia, Czechoslovakia, and Poland, according to the American Embassy in Djakarta.	25X1
25X1C 25X1A	The Indonesian army has long been eager to re-equip its forces. Although most army leaders would prefer to purchase equipment from the West, political pressures have increased to accept arms from the bloc. The army is believed to be chiefly interested at present in small arms, ammunition, and army transport vehicles. Communist China has offered credit for arms purchases from Communist bloc countries.	

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#### 2. JAPANESE-INDONESIAN SHIP AGREEMENT

25X1A <sub>C</sub>	omment on:	_	
		Japanese shipowners and an Indonesian government mission in Tokyo have reached agreement on general terms for the lease of Japanese ships totaling 75,000 tons for Indonesia's vital inter-	
25X6		affic. A formal agreement was scheduled	25X6
23/10	to be signed on 27	December.	

The agreement authorizes the transfer by mid-February for a minimum of six months of 26 freighters of 2,000 to 4,000 tons. Small tankers of up to 5,000 tons will be transferred in a second stage, and large ocean-going vessels will be considered still later. Indonesian crews will be used whenever possible, but the ships will have Japanese masters and officers. Charterage fees are to be paid in advance in pounds sterling.

The Japanese ships will replace about half of the Dutch tonnage which has been withdrawn from Indonesian waters and thus ease the critical shipping shortage which has created serious food dislocations. Although Japan probably will be the major supplier of ships to Indonesia, Djakarta is looking to other areas, including the Communist bloc, to overcome its remaining shipping deficiencies.

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#### 4. POSSIBLE NEW SOVIET HEAVY BOMBER

25X1A Comment on:	
the first to see	Additional information on the long-distance flight described in the 24 December issue of Red Star indicates that the jet heavy bomber involved may have been a new Soviet aircraft. The lat "even for persons accustomed to being what is newly created in aviation, this airsing by the perfection of its form and its colos-

The flight was described as the first long-distance test of this aircraft, following numerous short test flights. The bomber flew an unspecified record distance without aerial refueling, at altitudes above 39,000 feet carrying "tens of tons" of fuel rather than "ten tons" as first reported. The "many hours" required for the flight suggest subsonic speed.

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## 6. FRANCE SUGGESTS MOROCCAN MEDIATION FOR CEASE-FIRE IN ALGERIA

25X´	Comment on:
	On instructions from Paris, the French
	Embassy in Rabat recently sounded out
	the Moroccan Government on the possi-
	bility of Moroccan mediation to bring about
	a cease-fire in Algeria, according to a source close to French
	Foreign Minister Pineau. Premier Gaillard has obtained cab-
	inet approval for this limited response to last month's Moroccan
	Tunisian offer of good offices to settle the conflict. Recent
	French-Tunisian difficultiesparticularly over the arms ques-
	tionruled out acceptance of Bourguiba as an intermediary, at
	longt for the present

Because Moroccan officials insisted that Tunisia must be kept informed, Gaillard did not follow up his embassy's approach immediately. Pineau, however, may go to Rabat soon to discuss cease-fire negotiations. Pineau's confidant told the American Embassy in Paris on 24 December that the chances for negotiation of a cease-fire are "not bad." He claims an FLN military leader was recently in Rabat and "undoubtedly" discussed such a move.

Gaillard is probably reluctant to take any step now which might prejudice Council of the Republic action on the Basic Statute for Algeria recently voted by the National Assembly. There is already some fear that Minister for Algeria Lacoste and influential conservatives may influence the upper house to amend or vote down the statute, thereby throwing it back to the assembly.

# 7. CHINESE COMMUNISTS PURGE TOP PROVINCIAL OFFICIALS IN CHEKIANG

	25X1A
25X1AComment on:	
cording to a	Four members of the Chekiang committee of the Chinese Communist partyat least two of whom were probably party secretaries and one of whom was concurrently governor of the proven expelled from the party as "rightists," acceiping broadcast of 26 December. The removal from their government posts can be expected to
TOTTOM III and	course.

The attack on these provincial party leaders is an indication that a drastic weeding out of the party called for by Secretary General Teng Hsiao-ping and other party spokesmen is picking up speed. This move follows a resurgence of publicity during the past week concerning the danger of permitting rightists to remain in the party.

The pur	ge is expected to claim up to 5
percent of the approximate	ly 12,700,000 party members, and
may even reach two or three	ee members of the central com-
mittee in its final stages.	

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